EXHIBIT II

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ASSURED GUARANTY MUNICIPAL CORP., f/k/a FINANCIAL SECURITY ASSURANCE INC. Plaintiff, vs. FLAGSTAR BANK, FSB; FLAGSTAR CAPITAL MARKETS CORPORATION; and FLAGSTAR ABS, LLC, Defendants.	Case No. 11-CV-2375 (JSR) **PLAINTIFF'S RESPONSES TO DEFENDANTS' REQUEST FOR ADMISSION**

Plaintiff responds as follows to Defendants' Request for Admission:

REQUEST FOR ADMISSION NO. 1:

Admit that Dominic J. Frederico, the CEO of Assured Guaranty Ltd., participates in quarterly analyst calls during which he makes statements reflecting his contemporaneous understanding of historic and current events concerning Assured Guaranty Ltd. and its subsidiaries, and that such statements are made in the course of his and Assured Guaranty Ltd.'s regular business practice.

RESPONSE:

Admitted that Dominic J. Frederico is the CEO of Assured Guaranty Ltd., participates in quarterly analyst calls, and makes statements concerning Assured Guaranty Ltd. and its subsidiaries. Admitted that certain statements concerning Assured Guaranty Ltd. and its subsidiaries reflect his contemporaneous understanding of historic and current events concerning Assured Guaranty Ltd. and its subsidiaries, and are made in the course of his and Assured Guaranty Ltd.'s regular business practice. Otherwise denied.

REQUEST FOR ADMISSION NO. 2:

Admit that following excerpts are true and correct transcriptions of statements Mr. Frederico has made during quarterly analyst calls:

a. Assured Guaranty Municipal Corp., second quarter 2011 analyst call, statement by Dominic Frederico (Aug. 9,2011):

> "[T]hese are very seasoned. As you look at the portfolio today, you know, the majority of the debentures are '05, '06, '07. So even the '07 year is now four years old. And if people have made the decision to defend their mortgage and defend their house for that four-year period, we're confident that their default rate, other than if there's a huge spike in unemployment, should proceed on a lot more less, you know, dramatic result that what we've seen in the past. So the exposures are the last. The borrowers are stronger. Most of the misrepresentative borrowers have either defaulted or are in the seriously delinquent category, which we already default anyway within our reserve model."

> "So we don't anticipate that big of a difference to be achieved or to be absorbed if there is a setback, if there is another dip. And the same could be said of corporates in our [inaudible]. You know, all those exposures are down reasonably low or better than they were. Most of the bad guys or the guys that were weak in those portfolios have already defaulted. The level of say, bank failures are a lot less, the level of bank failures in [inaudible] are a lot less."

b. Assured Guaranty Municipal Corp., forth quarter 2007 analyst call, statement by Dominic Frederico (Feb. 12, 2008):

> "The combined undervalue with the second would be in the 80-85 range, so they were well written at the time, but obviously as we look at market value declines, that's going to put those things back to 100% if not basically negative equity and every gets to an negative equity situation and all bets are off based on historical experience and in all of those cases we can assume a 100% loss. We assume no recovery, no salvage, no subrogation."

c. Assured Guaranty Municipal Corp., third quarter 2008 analyst call, statement by Dominic Frederico (Nov. 6, 2008):

> "Much of the early mortgage problems that emerged in 2007 could be attributed to poor underwriting by mortgage originators, inflated housing values, inappropriate loan products, and real estate speculation. We believe that we were quick to identify those risks in our own portfolio as we began talking to investors more than a year ago about the problems in the HELOC sector ahead of our financial guarantee counterparts. Today we are looking at more traditional

sources of housing losses; unemployment and declining household incomes combined with lower consumer confidence. Our revised assumptions resulted in a downgrade of some real estate exposures thereby triggering additional portfolio reserves."

RESPONSE:

Admitted that the following excerpts are true and correct transcriptions of statements Mr. Frederico has made during quarterly analyst calls:

a. Assured Guaranty Municipal Corp., second quarter 2011 analyst call, statement by Dominic Frederico (Aug. 9, 2011):

> "[T]hese are very seasoned. As you look at the portfolio today, the majority of the vintages are '05, '06, '07. So even the '07 year is now four years old. And if people have made the decision to defend their mortgage and defend their house for that four-year period, we're confident that their default rate, other than if there's a huge spike in unemployment, should proceed on a lot less dramatic result than what we've seen in the past. So the exposures are less, the borrowers are stronger. Most of the misrepresented borrowers have either defaulted or are in the seriously delinquent category, which we already default anyway within our reserve model."

> "So we don't anticipate that big of a difference to be achieved or to be absorbed if there is a setback, if there is another dip. And the same could be said of corporates in our TruPS. All those exposures are down reasonably low or better than they were. Most of the bad guys or the guys that were weak in those portfolios have already defaulted. The level of say, bank failures is a lot less, the level of bank failures in TruPS are a lot less."

b. Assured Guaranty Municipal Corp., fourth quarter 2007 analyst call, statement by Dominic Frederico (Feb. 12, 2008):

> ".....The first lien combined loan to value with the second lien would be in the 80-85 range, so they were well written at the time, but obviously as we look at market value declines, that's going to put those things back to 100% if not basically negative equity and whenever you get to an negative equity situation kind of all bets are off based on historical experience and in all of those cases we assume a 100% loss. We assume no recovery, no salvage, and no subrogation."

c. Assured Guaranty Municipal Corp., third quarter 2008 analyst call, statement by Dominic Frederico (Nov. 6, 2008):

> "Much of the early mortgage problems that emerged in 2007 can be attributed to poor underwriting by mortgage originators, inflated housing values, inappropriate loan products, and real estate speculation. And we believe that we were quick to identify

those risks in our own portfolio as we began talking to investors more than a year ago about the problems in the HELOC sector ahead of our financial guarantee counterparts. Today we are looking at more traditional sources of housing losses; unemployment and declining household incomes combined with lower consumer confidence. Our revised assumptions resulted in a downgrade of some real estate exposures thereby triggering additional portfolio reserves."

Otherwise denied.

Dated: New York, New York
January 6, 2012

SUSMAN GODFREY L.L.P.

By: /s/ Joseph C. Portera

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IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ASSURED GUARANTY MUNICIPAL CORP., f/k/a FINANCIAL SECURITY ASSURANCE INC. Plaintiff, vs. FLAGSTAR BANK, FSB; FLAGSTAR CAPITAL MARKETS CORPORATION; and FLAGSTAR ABS, LLC, Defendants.	Case No. 11-CV-2375 (JSR) **CERTIFICATE OF SERVICE**

I hereby certify that I have this January 6, 2012 caused true and complete copies of Plaintiff's Responses to Defendants Request for Admissions to be served on all counsel of record for Defendants via electronic mail.

/s/ Joseph C. Portera